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SOURCE Hospodar.

FOOD AND DISTILLING INDUSTRIES
UNDERGOING CHANGES

FOOD INDUSTRY TO BE REORGANIZED -- Hospodar, No 46, 17 Nov 49

The nationalization process in the sphere of the Ministry of Food proceeded in somewhat other directions than in other branches of industry. Small factories, which were not affected by the first nationalization, formed the core of the industry and a considerable percentage of food production was still on an artisan scale. Only the larger enterprises were nationalized in the first stage and only after February was it possible to carry out consistent nationalization of all food enterprises.

After the second nationalization norm had been issued, only a small number of enterprises with low capacity remained in the private sector. Consolidation of nationalized and confiscated properties was basically completed in 1948. A total of 189 state food enterprises were created. A reorganization in the distilling and brewing sector was carried out after February. With a view toward further nationalization, a reorganization has been prepared and is now being completed.

The reorganization of the food industry will not be as extensive as that of other countries, according to the Minister of Food, because the enterprise managements in this industry were not separated from production and remained, with a few exceptions, in base factories. There was no reason for such separation, since there was no unnecessary organizational link between the factories and the central organizations. The state enterprises, the number of employees, and the production capacity are much smaller than in other industries. A state food enterprise, as a rule, already at present consists of a base factory, to which a number of subsidiary or operational factories are attached.

First of all, the central organizations will be concentrated. Five central managements will be established from the present seven central organizations.

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The first central management will include the sugar industry, with the production of chocolate, candy, nonperishable baked goods, dough preparations, and potato starch.

The second central management will consist of industrial distilleries, alcohol refineries, factories producing yeast, liqueurs, brandy, essences, wine, vinegar, mustard, beer, and malt, and enterprises processing fruit and vegetables.

The third central management will include flour mills, bakeries, and factories for edible paste products, groats, flakes, coffee substitutes, and wheat starch.

The fourth central management will consist of factories for synthetic edible fats and similar products, as well as state dairy enterprises.

The fifth central management will be for the meat sector and fish processing.

The state refrigerating and freezing enterprise will be managed directly by the ministry.

A state tobacco enterprise and probably a state salt enterprise will be created by the ministry in the foreseeable future.

The state production enterprises will be reorganized according to the principles which are best suited to the individual production branches. The principle of kraj organization will be applied in the brewing, dairy, fruit- and vegetable-canning, and meat industries.

In the production of synthetic edible fats, the state enterprises will be so organized that each will go through the entire production process, i.e., pressing, extracting, refining, reinforcing, and margarine production.

In the chocolate and candy sector, the state enterprises will be organized in accordance with the relationship of their production programs. Specialization will be emphasized.

In the distilling sector, the state enterprises will handle various stages of production with reference to individual kraj. Each state enterprise should have, besides the distillery, a refinery, a liqueur factory, and a vinegar factory.

The enterprises processing fruits and vegetables in the Czech Provinces will be decentralized according to kraj. Only in the kraj with low production will fruit and vegetable canneries be combined with state distilling enterprises.

Each sugar mill will be a state enterprise. Regional inspectorates will be set up as organizations of the central managements to manage better the greater number of sugar mills.

In the dairy industry, the principle of territorial division and relationship of production will be applied.

Refrigerating and freezing plants will remain concentrated in one enterprise for the entire country.

The decentralization will be most penetrating in the meat industry, fruit and vegetable canneries, and, in the Czech Provinces, flour mills. In Slovakia, the reorganization will primarily affect the synthetic edible fats sector, chocolate factories, and sugar mills.

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The present 189 state enterprises will be transformed into 225 state enterprises, in which the appropriate organizational principles will be consistently applied. The state production enterprises will be well-managed economic units. The structural relation of the industry to trades will also have to be determined in the reorganization.

CHANGES IN DISTILLING INDUSTRY -- Hospodar, No 44, 3 Nov 49

The gross value of distilling production in 1953 will reach 5,600,000,000 crowns as compared to 5,300,000,000 crowns in 1948, that is, 6 percent more.

There are 439 agricultural distilleries (including 344 cooperative and 50 state distilleries) in the Czech Provinces and 213 distilleries (including 100 co-operatives) in Slovakia. Altogether, 54 agricultural distilleries in the Czech Provinces use potatoes and beets; 142 distilleries in Slovakia use beets.

Full employment in beet distilleries in the Czech Provinces could be ensured by planning the beet area for that purpose. Altogether, 2,000 hectares would suffice.

The entire liquor industry was nationalized after February 1948. The most thorough concentration of production of the entire Czechoslovak industry has been carried out in the liquor branch. Out of 552 factories (including brandy factories) which existed in the Czech Provinces in February 1948, 378 factories have been abolished, so that there are now only 174 factories (including 61 brandy factories) in operation. At least 44 factories will disappear during the Five-Year Plan, so that no more than 80 industrial liquor factories and 50 commercial brandy factories will remain.

Out of the 171 commercial brandy factories which existed in Slovakia in February 1948, 96 have disappeared, so that 75 remain. No more than 40 will remain at the end of the Five-Year Plan. There were 229 other factories in Slovakia; 209 have been abolished so that 20 remain. Of the 20, no more than 15 will remain in the future.

The value of liquor production per employee rose from 942,000 crowns in 1948 to 2,051,400 crowns in 1949, that is, by 217.7 percent. This increase is partly the result of a decrease in the number of employees, which fell, in the Czech Provinces, for example, from 3,317 to 2,312.

After the old supplies have been consumed, not more than 25 types of liquors (including brand liquors) will be produced in accordance with a standard tested recipe.

There are 563 soda-water and soft-drink factories in the Czech Provinces and 308 in Slovakia. Half of them would suffice. Most of them are being incorporated into communal enterprises. There are 19 mineral-water factories in the Czech Provinces and ten in Slovakia.

In the vinegar industry, the average annual prewar output of 1.1 liters per person rose to 1.4 liters. The present 55 vinegar factories in the Czech Provinces will be rapidly brought down to 50 and to even less at a later time. The 38 Slovak vinegar factories will be brought down to 31.

Essential oils and essences have been produced in 22 factories in the Czech Provinces and in five factories in Slovakia. Only six and two, respectively, remain. Further concentration is possible.

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PRODUCTION OF FATS DEVELOPING -- Hospodar, No 40, 6 Oct 49

The Ceskoslovenske Zavody Tukove (Czechoslovak Fat Plants) combine state enterprises produces margarine, edible fats and oils, soap, and cosmetics, according to V. J. Kreibitz, general manager of CZT.

The CZT faced very difficult conditions under the planned economy. The raw materials problem was the most important. Another problem was that of labor. At the time of liberation the largest enterprise, the former Schindler factories in Usti nad Labem, had 3,500 employees, of whom only ten were Czechs. It was necessary to procure new Czech employees of all categories.

The industry was considerably broken up. In addition to several large enterprises nationalized in 1945, there were a number of small enterprises which had remained in private hands until February 1948.

The industry is territorially unevenly organized. Most of it is in the Czech Provinces. Therefore, in concentrating the industry, there was no hesitation in closing large factories with good tradition, so that by gradual construction the production units might be evenly planned, distance from factories to consumers shortened, and fresh goods for the population secured.

TWO FOOD ENTERPRISES FULFILL LARGE FUNCTIONS -- Hospodar, No 44, 3 Nov 49

The Odkolek factory in Vysocany is one of the modern enterprises of the food industry. It is the base factory of the Odkolek state enterprise, which supplies flour and flour products to Greater Prague and the northern section of Prague Kraj. It controls 16 mills and 35 bakeries, the number of which is gradually rising as the private sector is being eliminated. Besides producing baked goods and confectionery, Odkolek also produces edible paste products and nonperishable baked goods (Zatka in Prague, Mlada Boleslav). Secondary products include fruit juices, soda water and other waters (Zatka, Holesovice), and food pulp. The Vysocany factory produces dehydrated cereals for children.

The distribution network of Odkolek consists of about 170 sales outlets, which are distributed in all parts of Prague.

Odkolek receives daily orders for 10,000 - 30,000 doughnuts. It can bake 40,000 kilograms of bread daily. The automatic rotary oven can produce 15,000 rolls an hour. Tens of thousands of all kinds of pastry products can also be produced daily. The Vysocany factory has its own completely automatic flour mill, which fully supplies with quality flour not only the bakeries of Odkolek but also the sales outlets of Odkolek and other local consumers.

Supply of meat and meat products is carried out by the Masna state enterprise, which now covers about 45 percent of the total consumption, as well as by cooperative and private sectors. It produces about 6 million kilograms of meat monthly and sells most of it directly to consumers through its 2,000 sales outlets. At present, all the production facilities are located in the places of consumption, that is, they are chiefly in towns, particularly Prague. In the future, mass combines will be built directly in the productive areas.

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